

103D CONGRESS  
1ST SESSION

# H. R. 2705

To eliminate the Rural Electrification Administration.

---

## IN THE HOUSE OF REPRESENTATIVES

JULY 22, 1993

Mr. COX (for himself, Mr. LIPINSKI, Mr. ANDREWS of New Jersey, Mr. TORKILDSEN, Mr. SHAYS, Mr. ROYCE, Mr. KING, Mr. CRANE, Mr. PORTER, and Mr. DORNAN) introduced the following bill; which was referred to the Committee on Agriculture

---

## A BILL

To eliminate the Rural Electrification Administration.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. REDUCTION OF LOAN SUBSIDIES AVAILABLE**  
4                       **FROM THE RURAL ELECTRIFICATION ADMIN-**  
5                       **ISTRATION.**

6       (a) REDUCTION OF LOAN SUBSIDIES.—

7               (1) IN GENERAL.—Title I of the Rural Elec-  
8       trification Act of 1936 (7 U.S.C. 901–946) is  
9       amended by adding at the end the following:

1 **“SEC. 19. INTEREST RATE ON LOANS AND ADVANCES**  
2 **UNDER THIS ACT.**

3 “The rate of interest on any loan made on or after  
4 the date of the enactment of this section, or on any ad-  
5 vance made on or after such date under loan commitments  
6 made at any time, under this Act, shall equal the coupon  
7 equivalent yield on obligations of the Treasury of the  
8 United States of comparable maturity, at the most recent  
9 auction of such obligations by the Department of the  
10 Treasury.”.

11 (2) CONFORMING AMENDMENTS.—

12 (A) Section 4 of such Act (7 U.S.C. 904)  
13 is amended by striking “, and shall bear inter-  
14 est at the rate of 2 per centum per annum”.

15 (B) Section 5 of such Act (7 U.S.C. 905)  
16 is amended by striking “, and shall be at a rate  
17 of interest of 2 per centum per annum”.

18 (C) Section 305 of such Act (7 U.S.C.  
19 935) is amended by striking subsection (b), and  
20 by redesignating subsections (c) and (d) as sub-  
21 sections (b) and (c), respectively.

22 (D) Section 408(b) of such Act (7 U.S.C.  
23 948(b)) is amended by striking paragraph (3),  
24 and by redesignating paragraphs (4) through  
25 (8) as paragraphs (3) through (7), respectively.

12 (c) EFFECTIVE DATE.—This section shall take effect  
13 on the date of the enactment of this Act.

16 (a) REPEAL OF RURAL ELECTRIFICATION ACT OF  
17 1936.—The Rural Electrification Act of 1936 (7 U.S.C.  
18 901–950b) is repealed.

(1) IN GENERAL.—Except as provided in paragraph (2), the repeal made by subsection (a) shall not be construed to permit the violation of any contract entered into before the effective date of this section.

1           (2) SALE OF OUTSTANDING LOANS.—During  
2       the 5-year period that begins on the effective date of  
3       this section, the Secretary of Agriculture shall sell to  
4       private investors all interests of the United States in  
5       the outstanding loans made under the Rural Elec-  
6       trification Act of 1936, for cash only, on the most  
7       favorable terms to the Federal Government that are  
8       then obtainable.

9           (c) REFERENCES.—Any reference in any law to the  
10   Administrator of the Rural Electrification Administration  
11   is deemed to be a reference to the Secretary of Agri-  
12   culture.

13          (d) EFFECTIVE DATE.—This section shall take effect  
14   2 years after the date of the enactment of this Act.

○